

PRESIDENT: Thank you. The question is the adoption of the committee amendments. All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.

CLERK: 27 ayes, 0 nays, Mr. President, on adoption of the committee amendments.

PRESIDENT: The committee amendments are adopted. Now back to the bill. Senator Landis, please.

SENATOR LANDIS: Thank you, Mr. Chairman. I guess it's Mr. President when you're in the Chair, isn't it, Bill? Mr. President and members of the Legislature, this bill came to us from Bill McCartney in the Department of Insurance. Perhaps you're all familiar with an HMO, health maintenance organization, in which you pay a premium, if you will, for coverage and then as you need services you go in and the HMO provides those services. It's a prepaid form of insurance and the HMO, basically, is the insurer of your health by providing these services. You pay the money and they promise to be there and serve your needs when you're sick. HMOs are organized, by the way, under the insurance laws of the State of Nebraska. And HMOs, as you and I know them, are general health organizations. Well, that's the way they were forced to organize. Now what has sprung up around the country are HMOs on a limited basis. Rather than to meet the general health needs of the family, they will provide a very limited set of services. Same thing applies. You buy a premium, when you need the services you go in and they take care of you. Well, in this case you have the limited HMO, if you will, the Limited Prepaid Health Service Organization, it's called, and the name that's circulating in the industry is boutique HMOs. In this case, for example, the limited premium could be for dental care, let's say, rather than all health services; or services for vision, eyeglasses; ophthalmology, might be as much as eye surgery, but eye care, all lumped in one place, could make an individual premium for just those services from a provider of just those services in that insurance mechanism. Well, what the director tells us is our HMO law is premised on the idea that it's going to be a general provider and these new boutique Limited Prepaid Service Organizations require a more narrow specified and specialized organization so that we can oversee them, so that the statutes can make sense as far as what they're concerned, so that their net equity requirements make sense and that's why the director has brought us LB 320. I do not know of an organization like